

AMENDED IN ASSEMBLY APRIL 22, 2003

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

ASSEMBLY BILL

No. 304

Introduced by Assembly Member Mullin

February 6, 2003

An act to ~~amend Section 51504 of~~ *add Section 53534* to the Health and Safety Code, relating to housing.

LEGISLATIVE COUNSEL'S DIGEST

AB 304, as amended, Mullin. Housing: downpayment assistance.

Under existing law, the California Housing Finance Agency administers a downpayment assistance program under which the amount of downpayment assistance may not exceed 3% of the home sales price. *The Housing and Emergency Shelter Trust Fund Act of 2002, also allocates certain housing bond revenues for downpayment assistance to low-income first-time homebuyers who, as documented to the agency by a nonprofit organization certified and funded to provide homeownership counseling, are purchasing a residence in a community revitalization area targeted by the nonprofit organization and have received homeownership counseling from the nonprofit organization.*

This bill would ~~increase that amount to 6%~~ *limit that downpayment assistance to those low-income first-time homebuyers to 6% of the home sales price.*

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

~~SECTION 1. Section 51504 of the Health and Safety Code is~~
SECTION 1. Section 53534 is added to the Health and Safety
Code, to read:

53534. The downpayment assistance provided pursuant to
subparagraph (C) of paragraph (7) of subdivision (a) of Section
53533 shall not exceed 6 percent of the home sales price.

~~amended to read:~~

~~51504. (a) The agency shall administer a downpayment~~
~~assistance program that includes, but is not limited to, all of the~~
~~following:~~

~~(b) Downpayment assistance shall include, but not be limited~~
~~to, a deferred payment, low interest, junior mortgage loan to~~
~~reduce the principal and interest payments and make financing~~
~~affordable to first-time low- and moderate-income homebuyers.~~

~~(c) The amount of downpayment assistance shall not exceed 6~~
~~percent of the home sales price.~~

~~(d) The amount of downpayment assistance shall be secured by~~
~~a deed of trust in a junior position to the primary financing~~
~~provided. The term of the loan for the downpayment assistance~~
~~shall not exceed the term of the primary loan.~~

~~(e) The amount of the downpayment assistance shall be due and~~
~~payable at the end of the term or upon sale of or refinancing of the~~
~~home. The borrower may refinance the mortgages on the home~~
~~provided the principal and accrued interest on the junior mortgage~~
~~loan securing the downpayment assistance are repaid in full. All~~
~~repayments shall be made to the agency to be reallocated for the~~
~~purposes of this chapter.~~

~~(f) The agency may use up to 5 percent of the funds~~
~~appropriated by the Legislature for purposes of this chapter to~~
~~administer this program.~~